

Maurice Hinchey NEWS

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GLOBE AUTOMOTIVE GETS \$250,000 IN FEDERAL FINANCING TO CREATE 64 JOBS IN MIDDLETOWN

MIDDLETOWN - U.S. Representative Maurice Hinchey (NY-22) today announced that the U.S. Department of Housing and Urban Development (HUD) has approved a \$250,000 Section 108 loan guarantee for Globe Automotive Imports, Inc. The loan will provide working capital for the company's expansion into Middletown, a project that will create 64 new full-time jobs within three years.

"This is a nice boost for the economy of Middletown," said Hinchey. "I commend Globe Automotive for taking the initiative to expand and for remaining in the area. I'm pleased that the federal government and the City of Middletown have agreed to give this solid company the assistance it needs."

Globe Automotive Imports, Inc. was founded in 1955 as an importer of German and Swedish automotive aftermarket spare parts. In 2000 the company was purchased by Maged "George" Soliman, who undertook an aggressive program to expand the sales and profits of the corporation. The company immediately computerized its entire operation and expanded its sales force. Soliman decided that Globe's future lay in increased automation and the company's entrance into the Asian market.

To accomplish these goals, Globe would need a larger building. Soliman entered into a contract with the City of Middletown to purchase a 57,500 square foot building at 62-84 Industrial Place Extension and received bids for the building's renovation. Globe is using conventional financing for the acquisition and renovation, but will use the federal loan guarantee for working capital. HUD's Section 108 program provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.

"With the help of the City of Middletown and the Section 108 program, we are now looking forward to a continued steady growth of our company," said Soliman. "This loan will enable us to expand our coverage to include spare parts for Asian cars and complete our product group's coverage for European cars."

Neil Novesky, Middletown's Director of Economic and Community Development, added, "This is one of a series of Section 108 loans that will improve the economic climate in the City of Middletown. With the help of Congressman Hinchey and former Congressman Ben Gilman, we are now one of the most successful Section 108 recipients in the country among communities of our size."